

**FURTHER INFORMATION ABOUT OUR GROUP****Incorporation**

We were incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Law on 23 June 2008. We have established a place of business in Hong Kong at Room 3504–12, 35/F Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong and have been registered as a non-Hong Kong company under Part XI of the Hong Kong Companies Ordinance under the same address. Mr. Lai Hau Yin has been appointed as our agent for the acceptance of service of process and notices under the same address. As we are incorporated in the Cayman Islands, our corporate structure, as well as our Memorandum of Association and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of the relevant provisions of our Memorandum of Association and Articles of Association as well as certain relevant aspects of Cayman Companies Law are set out in “Appendix V — Summary of the Constitution of the Company and Cayman Islands Company Law” to this prospectus.

**Written resolutions of the shareholders of the Company**

Pursuant to the written resolutions passed by our Shareholders on 9 February 2010, it was resolved, among other things:

- (a) our Company approved and adopted its new Articles of Association, the terms of which are summarized in Appendix V to this prospectus;
- (b) subject to the conditions stated in the section entitled “Structure of the Global Offering — Conditions of the Hong Kong Public Offering” in this prospectus being fulfilled or waived:
  - (1) the Global Offering and the Directors were authorized to allot and issue, and to approve the transfer of, such number of Shares in connection with the Global Offering and any exercise of the Over-allotment Option as they deem fit, on and subject to the terms and conditions stated in this prospectus and in the relevant Application Forms;
  - (2) the Directors were authorized to allot and issue, and to approve the transfer of, such number of Shares as calculated by General Atlantic’s investment of US\$25 million divided by the final Offer Price rounded down to the nearest board lot pursuant to the partial exercise of its Anti-Dilution Right;
  - (3) conditional further on the Listing Committee of the Hong Kong Stock Exchange granting approval of our Share Option Scheme, the rules of our Share Option Scheme were approved and adopted, and the Directors or any committee thereof established by the Board were authorized, at their sole discretion, to make such further changes to our Share Option Scheme as requested by the Hong Kong Stock Exchange and which they deem necessary and/or desirable and at their absolute discretion to grant options to subscribe for Shares thereunder up to the limits referred to in our Share Option Scheme and or allot, issue and deal with Shares pursuant to the exercise of any option which may be granted under our Share Option Scheme and to take all such action as they consider necessary, desirable or expedient to implement or give effect to our Share Option Scheme, subject to the conditions therein;

- (4) a general unconditional mandate was given to the Directors to allot, issue and deal with Shares (otherwise than pursuant to, or in consequence of, the Global Offering, a rights issue or pursuant to the exercise of any subscription rights which may be granted under our Share Option Scheme or any scrip dividend scheme or similar arrangements, any adjustment of rights to subscribe for Shares under options and warrants or a special authority granted by our Shareholders or an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association) with an aggregate nominal value of not more than the sum of:
- 20% of the aggregate nominal value of our Share capital in issue immediately following the completion of the Global Offering but before any exercise of the Over-allotment Option; and
  - the aggregate nominal value of the Share capital of our Company repurchased by us (if any);
- (5) a general unconditional mandate was given to the Directors to exercise all the powers of the Company to repurchase Shares to be listed on the Hong Kong Stock Exchange with a total nominal value of not more than 10% of the aggregate nominal value of the Company's Share capital in issue immediately following the completion of the Global Offering but before any exercise of the Over-allotment Option; and
- (6) the general unconditional mandate as mentioned in paragraph (3) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (4) above.

Each of the general mandates referred to in paragraphs (4), (5) and (6) above will remain in effect until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the time when such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting.

### **Changes in share capital**

As of the date of our incorporation, our authorized share capital was US\$50,000, divided into 50,000 shares of par value of US\$1.00 each.

On 30 September 2008, a sole shareholder's resolution was passed to approve, inter alia, the increase of our share capital by HK\$100,000,000 by the creation of 1,000,000,000 shares of par value HK\$0.10 each. Our Company issued 100 such shares fully paid to Elegance Extreme. At the same time, our Company repurchased one outstanding share of par value US\$1.00 in the capital of our Company, following such repurchase, the authorized but unissued share capital of our Company was diminished by the cancellation of all unissued shares of our Company (except for 1,000,000,000 shares of par value HK\$0.10 each), being 50,000 shares of par value US\$1.00 each in the capital of our Company. As a result, our Company have an authorized share capital of HK\$100,000,000 divided into 1,000,000,000 shares of par value HK\$0.10 each, and 100 shares of our Company were held by Elegance Extreme.

On 4 January 2010, pursuant to a sole shareholders' resolution to sub-divide our Company's share capital, our Company's authorized share capital became HK\$100,000,000 divided into 1,000,000,000,000 shares of par value HK\$0.0001 each, and 100,000 shares of our Company were held by Elegance Extreme.

On 22 February 2010, pursuant to the Pre-IPO Reorganization Agreement, our Company issued 1,559,892,795 Shares of our Company to Elegance Extreme, in exchange for Elegance Extreme transferring all of its shares in Bright Friends, Well Snape, Charming Elements and Zhongsheng International to Noble Villa, after which a total of 1,559,992,795 Shares of our Company were held by Elegance Extreme.

Save as disclosed in this Appendix, there has been no other alteration in our share capital since the date of our incorporation.

### Changes in the share capital of our subsidiaries

Our subsidiaries are referred to in the Accountants' Report in Appendix I to this prospectus. The following alterations in share capital (or registered capital, as the case may be) of our subsidiaries, have taken place within the two years preceding the date of this prospectus:

#### Onshore companies

(1) *Zhongsheng (Dalian) Holdings Co., Ltd.* (中升(大連)集團有限公司)

On 11 September 2008, the registered capital of Zhongsheng Dalian was increased from RMB50,000,000 to RMB400,000,000 and the registered capital has been fully paid up.

(2) *Dalian Zhongsheng Aotong Automobile Sales Co., Ltd.* (大連中升奧通汽車銷售有限公司)

On 8 December 2008, the registered capital of Dalian Zhongsheng Aotong Automobile Sales Co., Ltd. was increased from RMB5,000,000 to RMB30,000,000 and the registered capital has been fully paid up.

(3) *Dalian Zhongsheng Star Automobile Sales & Service Co., Ltd.* (大連中升之星汽車銷售服務有限公司 (formerly known as *Dalian Yingbin Zhongsheng Toyota Automobile Sales Co., Ltd.* (大連迎賓中升豐田汽車銷售有限公司)))

On 9 April 2008, the registered capital of Dalian Zhongsheng Star Automobile Sales & Service Co., Ltd. was increased from RMB5,000,000 to RMB30,000,000 and the registered capital has been fully paid up.

On 21 April 2008, the registered capital of Dalian Zhongsheng Star Automobile Sales & Service Co., Ltd. was increased from RMB30,000,000 to RMB40,000,000 and the registered capital has been fully paid up.

- (4) *Dalian Zhongsheng Lexus Automobile Sales & Services Co., Ltd.* (大連中升凌志汽車銷售服務有限公司)

On 20 July 2009, the registered capital of Dalian Zhongsheng Lexus Automobile Sales & Services Co., Ltd. was increased from US\$3,000,000 to US\$11,000,000 and the registered capital has been fully paid up.

- (5) *Dalian Zhongsheng Botong Automobile Sales & Services Co., Ltd.* (大連中升搏通汽車銷售服務有限公司)

On 8 December 2008, the registered capital of Dalian Zhongsheng Botong Automobile Sales & Services Co., Ltd. was increased from RMB10,000,000 to RMB25,000,000 and the registered capital has been fully paid up.

- (6) *Dalian Xinshengrong Toyota Automobile Sales & Services Co., Ltd.* (大連新盛榮豐田汽車銷售服務有限公司)

On 1 December 2008, the registered capital of Dalian Xinshengrong Toyota Automobile Sales & Services Co., Ltd. was increased from RMB5,000,000 to RMB20,000,000 and the registered capital has been fully paid up.

- (7) *Dalian Xinshengrong Automobile Sales & Services Co., Ltd.* (大連新盛榮汽車銷售服務有限公司)

On 10 December 2008, the registered capital of Dalian Xinshengrong Automobile Sales & Services Co., Ltd. was increased from RMB5,000,000 to RMB30,000,000 and the registered capital has been fully paid up.

- (8) *Dalian Xinshengrong New Industrial Co., Ltd.* (大連新盛榮新實業有限公司) (formerly known as *Dalian Huidebao Automobile Sales Co., Ltd.* (大連匯德寶汽車銷售有限公司))

On 13 October 2008, the registered capital of Dalian Xinshengrong New Industrial Co., Ltd. was increased from RMB20,000,000 to RMB200,000,000 and the registered capital has been fully paid up.

- (9) *Fuzhou Zhongsheng Toyota Automobile Sales Co., Ltd.* (福州中升豐田汽車銷售有限公司)

On 26 December 2008, the registered capital of Fuzhou Zhongsheng Toyota Automobile Sales Co., Ltd. was increased from RMB5,000,000 to RMB20,000,000 and the registered capital has been fully paid up.

- (10) *Fuzhou Zhongsheng Lexus Automobile Sales & Services Co., Ltd.* (福州中升雷克薩斯汽車銷售服務有限公司)

On 22 December 2008, the registered capital of Fuzhou Zhongsheng Lexus Automobile Sales & Services Co., Ltd. was increased from RMB20,000,000 to RMB25,000,000 and the registered capital has been fully paid up.

(11) *Quanzhou Longxing Automobile Sales & Services Co., Ltd.* (泉州隆星汽車銷售服務有限公司)

On 13 October 2009, the registered capital of Quanzhou Longxing Automobile Sales & Services Co., Ltd. was increased from RMB12,000,000 to RMB40,000,000 and the registered capital has been fully paid up.

(12) *Shanghai Zhongsheng Toyota Automobile Sales & Services Co., Ltd.* (上海中升豐田汽車銷售服務有限公司)

On 17 July 2008, the registered capital of Shanghai Zhongsheng Toyota Automobile Sales & Services Co., Ltd. was increased from RMB5,000,000 to RMB15,000,000 and the registered capital has been fully paid up.

(13) *Dongguan Zhongsheng Lexus Automobile Sales Co., Ltd.* (東莞中升雷克薩斯汽車銷售有限公司)

On 9 December 2008, the registered capital of Dongguan Zhongsheng Lexus Automobile Sales Co., Ltd. was increased from US\$3,000,000 to US\$5,000,000 and the registered capital has been fully paid up.

(14) *Yingkou Zhongsheng Automobile Sales & Services Co., Ltd.* (營口中升汽車銷售服務有限公司)

On 21 September 2009, the registered capital of Yingkou Zhongsheng Automobile Sales & Services Co., Ltd. was increased from RMB10,000,000 to RMB12,000,000 and the registered capital has been fully paid up.

(15) *Yantai Zhongsheng Huidi Automobile Sales & Services Co., Ltd.* (煙台中升匯迪汽車銷售服務有限公司)

On 24 April 2009, the registered capital of Yantai Zhongsheng Huidi Automobile Sales & Services Co., Ltd. was increased from RMB21,000,000 to RMB60,000,000 and the registered capital has been fully paid up.

**Offshore companies**

(1) *Blue Natural Development Ltd.*

On 6 June 2008, Blue Natural allotted and issued 49 shares with par value of US\$1 each to Vest Sun and Light Yield, respectively. Blue Natural also divided the par value of each of its shares from US\$1 to US\$0.0000001, following which Light Yield and Vest Sun each had 500,000,000 shares (50%) in Blue Natural.

On 30 June 2008, Blue Natural allotted and issued 285,213,096 common shares to Beverly Stars, and Beverly Stars transferred 285,213,096 common shares in Blue Natural to Light Yield.

On 28 August 2008, Blue Natural allotted and issued 22,581,054 shares to Aston Orient, and Aston Orient transferred 22,581,054 shares in Blue Natural to Light Yield.

On 30 July 2009, Blue Natural allotted and issued 18,199,726 common shares to Joint Easygain, and Joint Easygain transferred 18,199,726 common shares in Blue Natural to Light Yield Ltd. Following which, Vest Sun held 500,000,000 shares (37.7%) in Blue Natural and Light Yield held 825,993,876 shares (62.3%) in Blue Natural.

**(2) *Elegance Extreme International Limited***

On 6 December 2007, Elegance Extreme was established by Blue Natural (100%) in the BVI as a shareholding company with an issued share capital of US\$1.

On 20 May 2008, Elegance Extreme created two classes of shares with par values of US\$1 per preferred share and US\$0.0000001 per common share. Elegance Extreme allotted and issued 990,000,000 common shares to Blue Natural, following which, Blue Natural had 1,000,000,000 common shares in Elegance Extreme.

On 30 June 2008, Elegance Extreme allotted and issued 285,213,096 common shares and 76,354,418 preferred shares to Beverly Stars. On the same date, Beverly Stars transferred 285,213,096 common shares in Elegance Extreme to Blue Natural and 76,354,418 preferred shares in Elegance Extreme to General Atlantic.

On 30 June 2008, Elegance Extreme allotted and issued 147,793,135 preferred shares to General Atlantic for a consideration of the U.S. dollar equivalent of RMB750,114,928.

On 28 August 2008, Elegance Extreme allotted and issued 22,581,054 common shares and 3,940,546 preferred shares to Aston Orient. On the same date, Aston Orient transferred 22,581,054 common shares in Elegance Extreme to Blue Natural and 3,940,546 preferred shares in Elegance Extreme to General Atlantic.

On 30 July 2009, Elegance Extreme allotted and issued 18,199,726 common shares and 5,910,820 preferred shares to Joint Easygain. On the same date, Joint Easygain transferred 18,199,726 common shares in Elegance Extreme to Blue Natural and 5,910,820 preferred shares in Elegance Extreme to General Atlantic, following which Blue Natural and General Atlantic each had 1,325,993,876 common shares (85%) and 233,998,919 preferred shares (15%) in Elegance Extreme.

Save as disclosed in this prospectus, there have been no other alterations in the share capital of our subsidiaries in the two years preceding the date of this prospectus.

### Share Repurchase Mandate

This section includes information relating to the repurchase of our Shares, including information required by the Hong Kong Stock Exchange to be included in this prospectus concerning such repurchase.

(a) *Relevant Legal and Regulatory Requirements*

The Listing Rules permit our Shareholders to grant to our Directors a general mandate to repurchase our Shares that are listed on the Hong Kong Stock Exchange. Such mandate is required to be given by way of an ordinary resolution passed by our Shareholders in a general meeting.

(b) *Shareholder Approval*

All proposed repurchases of Shares (which must be fully paid up) must be approved in advance by ordinary resolutions of our Shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

On 9 February 2010, our Directors were granted a general unconditional mandate to repurchase up to 10% of the aggregate par value of our share capital in issue immediately following the Global Offering on the Hong Kong Stock Exchange or on any other stock exchange on which our securities may be listed and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose. This mandate will expire at the earliest of (i) the conclusion of our next annual Shareholders' general meeting, and (ii) such mandate being revoked or varied by ordinary resolutions of our Shareholders in a general meeting ("**Relevant Period**").

(c) *Source of Funds*

Our repurchase of the Shares listed on the Hong Kong Stock Exchange must be funded out of funds legally available for the purpose in accordance with our Memorandum of Association and Articles of Association and the applicable laws of the Cayman Islands. We may not repurchase our Shares on the Hong Kong Stock Exchange for consideration other than cash or for settlement other than in accordance with the trading rules of the Hong Kong Stock Exchange. Subject to the foregoing, we may make repurchases with profits of our Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by our Articles of Association and subject to the Cayman Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by our Articles of Association and subject to the Cayman Companies Law, out of capital.

(d) *Reasons for Repurchase*

Our Directors believe that it is in our and our Shareholders' best interests for our Directors to have general authority to execute repurchases of our Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit us and our Shareholders.

(e) *Funding of Repurchase*

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with our Memorandum of Association and Articles of Association, Cayman Companies Law and the Listing Rules.

On the basis of the current financial position of our Company as disclosed in this prospectus and taking into account the current working capital position of our Company, our Directors believe that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or the gearing position as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

(f) *Share Capital*

The exercise in full of the current Repurchase Mandate, on the basis of 1,866,492,795 Shares in issue immediately after the Global Offering (taking into account the partial exercise of General Atlantic's Anti-Dilution Right by investing US\$25 million to subscribe for the new Shares in our Company and assuming final Offer Price of HK\$9.54, being the lower end of the estimated Offer Price range) and 1,861,277,295 Shares in issue immediately after the Global Offering (taking into account the partial exercise of General Atlantic's Anti-Dilution Right by investing US\$25 million to subscribe for the new Shares in our Company and assuming final Offer Price of HK\$12.83, being the higher end of the estimated Offer Price range), assuming no exercise of the Over-allotment Option, could accordingly result in up to 186,649,279 Shares and 186,127,729 Shares that may be repurchased by us during the Relevant Period, respectively.

(g) *General*

None of our Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any of our Shares to us or our subsidiaries.

Our Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Memorandum of Association and Articles of Association, the Cayman Companies Law and any other applicable laws of the Cayman Islands.

If, as a result of any repurchase of our Shares, a shareholder's proportionate interest in our voting rights is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers ("**Takeovers Code**"). Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of us and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Our Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code.



No connected person as defined by the Listing Rules has notified us that he or it has a present intention to sell his or its Shares to us, or has undertaken not to do so, if the repurchase mandate is exercised.

## FURTHER INFORMATION ABOUT OUR BUSINESS

### Summary of Material Contracts

Our Company has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

- (a) an equity transfer agreement dated 17 July 2008 entered into between Lv Zhiyong (呂志勇) and Dalian Zhongsheng Aotong Automobile Sales Co., Ltd. (大連中升奧通汽車銷售有限公司), pursuant to which Dalian Zhongsheng Aotong Automobile Sales Co., Ltd. agreed to acquire 40% equity interest in Yunnan Zhongsheng Guangfu Automobile Sales & Services Co., Ltd. (雲南中升廣福汽車銷售服務有限公司) from Lv Zhiyong for a consideration of RMB9,600,000;
- (b) an equity transfer agreement dated 17 July 2008 entered into between Lv Zhiyong (呂志勇) and Dalian Zhongsheng Botong Automobile Sales & Services Co., Ltd. (大連中升搏通汽車銷售服務有限公司), pursuant to which Dalian Zhongsheng Botong Automobile Sales & Services Co., Ltd. agreed to acquire 60% equity interest in Yunnan Zhongsheng Guangfu Automobile Sales & Services Co., Ltd. (雲南中升廣福汽車銷售服務有限公司) from Lv Zhiyong for a consideration of RMB14,400,000;
- (c) an equity transfer agreement dated 9 August 2008 entered into between Yantai Dacheng Tongzhou Group Co., Ltd. (煙台大成通洲集團有限公司) and Dalian Zhongsheng Automobile Sales & Services Co., Ltd. (大連中升汽車銷售服務有限公司), pursuant to which Dalian Zhongsheng Automobile Sales & Services Co., Ltd. agreed to acquire 100% equity interest in Yantai Dacheng Toyota Automobile Sales & Services Co., Ltd. (煙台大成豐田汽車銷售服務有限公司) from Yantai Dacheng Tongzhou Group Co., Ltd. for a consideration of RMB12,549,175.72;
- (d) an equity transfer agreement dated 8 December 2008 entered into between Xin Wei (辛瑋), Jiang Hong (江紅) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 90% and 10% equity interest in Dalian Yuzeng from Xin Wei and Jiang Hong respectively for a total consideration of RMB128,795,487.68;
- (e) an equity transfer agreement dated 12 January 2009 entered into between Yantai Dacheng Tongzhou Group Co., Ltd. (煙台大成通洲集團有限公司) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 50% equity interest in Yantai Dacheng Huamei Automobile Sales & Services Co., Ltd. (煙台大成華美汽車銷售服務有限公司) from Yantai Dacheng Tongzhou Group Co., Ltd. for a consideration of RMB5,227,307;

- (f) an equity transfer agreement dated 12 January 2009 entered into between Yantai Xinchao Industrial Company Limited (煙台新潮實業股份有限公司) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 50% equity interest in Yantai Dacheng Huamei Automobile Sales & Services Co., Ltd. (煙台大成華美汽車銷售服務有限公司) from Yantai Xinchao Industrial Company Limited for a consideration of RMB5,227,307;
- (g) an equity transfer agreement dated 12 January 2009 entered into between Yantai Dacheng Tongzhou Group Co., Ltd. (煙台大成通洲集團有限公司) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 50% equity interest in Yantai Zhucheng Automobile Sales & Services Co., Ltd. (煙台鑄成汽車銷售服務有限公司) from Yantai Dacheng Tongzhou Group Co., Ltd. for a consideration of RMB1,576,243;
- (h) an equity transfer agreement dated 12 January 2009 entered into between Yantai Xinchao Industrial Company Limited (煙台新潮實業股份有限公司) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 50% equity interest in Yantai Zhucheng Automobile Sales & Services Co., Ltd. (煙台鑄成汽車銷售服務有限公司) from Yantai Xinchao Industrial Company Limited for a consideration of RMB1,576,243;
- (i) an equity transfer agreement dated 12 January 2009 entered into between Yantai Dacheng Tongzhou Group Co., Ltd. (煙台大成通洲集團有限公司) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 50% equity interest in Yantai Tongzhou Automobile Sales Co., Ltd. (煙台通洲汽車銷售有限公司) from Yantai Dacheng Tongzhou Group Co., Ltd. for a consideration of RMB32,285,168;
- (j) an equity transfer agreement dated 12 January 2009 entered into between Yantai Xinchao Industrial Company Limited (煙台新潮實業股份有限公司) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 50% equity interest in Yantai Tongzhou Automobile Sales Co., Ltd. (煙台通洲汽車銷售有限公司) from Yantai Xinchao Industrial Company Limited for a consideration of RMB32,285,168;
- (k) an equity transfer agreement dated 5 March 2009 entered into between Ma Xiaodong (馬曉東), Yin Lijun (尹立君) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 51% and 49% equity interest in Qingdao Zhongsheng Qingtong Automobile Sales & Services Co., Ltd. (青島中升慶通汽車銷售服務有限公司) from Ma Xiaodong and Yin Lijun for a consideration of RMB5,100,000 and RMB4,900,000 respectively;
- (l) an equity transfer agreement dated 5 March 2009 entered into between Ma Xiaodong (馬曉東), Yin Lijun (尹立君) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 80% and 20% equity interest in Qingdao Zhongsheng Botong Automobile Sales & Services Co., Ltd. (青島中升搏通汽車銷售服務有限公司) from Ma Xiaodong and Yin Lijun for a consideration of RMB8,800,000 and RMB2,200,000 respectively;
- (m) an equity transfer agreement dated 5 March 2009 entered into between Ma Xiaodong (馬曉東), Yin Lijun (尹立君) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 80% and 20% equity interest in Qingdao Zhongsheng Zhitong Automobile Sales & Services Co., Ltd. (青島中升智通汽車銷售服務有限公司) from Ma Xiaodong and Yin Lijun for a consideration of RMB8,800,000 and RMB2,200,000 respectively;

- (n) an equity transfer agreement dated 27 April 2009 entered into between Zhongsheng Dalian and Tu Bin (塗彬), pursuant to which Zhongsheng Dalian agreed to dispose of 20% equity interest in Chengdu Zhongsheng Toyota Automobile Sales & Services Co., Ltd. (成都中升豐田汽車銷售服務有限公司) to Tu Bin for a consideration of RMB2,000,000;
- (o) an equity transfer agreement dated 27 July 2009 entered into between P&B Nominee Services Limited, Charming Elements, Xin Wei (辛瑋), Jiang Hong (江紅) and Joint Easygain, pursuant to which Joint Easygain agreed to acquire 100% equity interest in Charming Elements from P&B Nominee Services Limited for a consideration of RMB125,000,000;
- (p) an equity transfer agreement dated 10 August 2009 entered into between Ma Dazhuang (馬大莊) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 40% equity interest in Liaoning Yisheng Automobile Sales & Services Co., Ltd. (遼寧億盛汽車銷售服務有限公司) from Ma Dazhuang for a consideration of RMB4,000,000;
- (q) an equity transfer agreement dated 10 August 2009 entered into between Lv Zhiyong (呂志勇) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 60% equity interest in Liaoning Yisheng Automobile Sales & Services Co., Ltd. (遼寧億盛汽車銷售服務有限公司) from Lv Zhiyong for a consideration of RMB6,000,000;
- (r) an equity transfer agreement dated 26 September 2009 entered into between Shaoxing Huixin Automobile Sales & Services Co., Ltd. (紹興市匯鑫汽車銷售服務有限公司), Yang Lin (楊琳), Yang Hua (楊華) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 80%, 10% and 10% equity interest in Shaoxing Zhongxin Automobile Sales Co., Ltd. (紹興市中鑫汽車銷售有限公司) from Shaoxing Huixin Automobile Sales & Services Co., Ltd., Yang Lin and Yang Hua respectively for a total consideration of RMB9,938,232.53;
- (s) an equity transfer agreement dated 26 September 2009 entered into between Yang Lin (楊琳), Yang Hua (楊華) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 80% and 20% equity interest in Shaoxing Huixin Automobile Sales & Services Co., Ltd. (紹興市匯鑫汽車銷售服務有限公司) from Yang Lin and Yang Hua respectively for a total consideration of RMB44,003,044.02;
- (t) an equity transfer agreement dated 30 September 2009 entered into between Wei Zhijie (魏志傑), Wei Zhijian (魏志堅), Chen Xiaolong (陳曉龍) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 100% equity interest in Jilin Chengbang Automobile Sales & Services Co., Ltd. (吉林市成邦汽車銷售服務有限公司) from Wei Zhijie, Wei Zhijian and Chen Xiaolong for a total consideration of RMB30,000,000;
- (u) an equity transfer agreement dated 30 September 2009 entered into between Dalian Tiansi Automobile Services Group Co., Ltd. (大連天已汽車服務集團有限公司), Dalian Tiansi International Trade Co., Ltd. (大連天已國際貿易有限公司) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 80% and 20% equity interest in Harbin Tiansi Toyota Sales & Services Co., Ltd. (哈爾濱天已豐田銷售服務有限公司) from Dalian Tiansi Automobile Services Group Co., Ltd. and Dalian Tiansi International Trade Co., Ltd. respectively for a total consideration of RMB40,000,000;

- (v) an equity transfer agreement dated 30 September 2009 entered into between Wei Zhijie (魏志傑), Wei Zhijian (魏志堅) and Zhongsheng Dalian, pursuant to which Zhongsheng Dalian agreed to acquire 100% equity interest in Changchun Chengbang Trading Co., Ltd. (長春市成邦商貿有限公司) from Wei Zhijie and Wei Zhijian for a total consideration of RMB50,000,000;
- (w) a pre-IPO reorganization agreement dated 9 February 2010 entered into between Elegance Extreme, General Atlantic, Blue Natural, Noble Villa and our Company, pursuant to which Elegance Extreme first transferred all of its interest in Bright Friends, Well Snape, Charming Elements and Zhongsheng International to Noble Villa in exchange for an issue of 1,559,892,795 Shares in our Company on 22 February 2010. General Atlantic will then convert all the preferred shares it held in Elegance Extreme to the common shares in Elegance Extreme. Elegance Extreme agreed to repurchase all the issued common shares in Elegance Extreme from Blue Natural (with the exception of 85 common shares) and General Atlantic (with the exception of 15 common shares), respectively, and in consideration, Elegance Extreme agreed to transfer 1,325,993,876 Shares and 233,998,919 Shares in our Company, representing 85% and 15% of the total issued Shares of our Company immediately before the completion of the Global Offering, to Blue Natural and General Atlantic, respectively, immediately prior to the completion of the Global Offering; and
- (x) the Hong Kong Underwriting Agreement.



### Intellectual Property Rights

As at the Latest Practicable Date, we own or license the following intellectual property rights.

### Trademarks

- (a) *Trademarks applied for by our Company for which registration has been granted*

As of the Latest Practicable Date, we have applied for and have been granted the registration of a number of trademarks, details of which are as follows:

<u>Trademark</u>	<u>Place of Registration</u>	<u>Class</u>	<u>Registration Number</u>	<u>Effective Period</u>
		<i>(Note 1)</i>		
	Hong Kong	12, 35, 36, 37	300677223	11 July 2016
 中升集团有限公司 ZHONGSHENG HOLDINGS CO., LTD.	Hong Kong	12, 35, 36, 37	300677232	11 July 2016

*Note 1:* Class 12 relates to vehicle; apparatus for locomotion by land, air or water.

Class 35 relates to advertising; business management; business administration; office functions.









Class 36 relates to insurance; financial and monetary affairs, and real estate affairs.























Class 37 relates to building construction; repair; installation services.












(b) *Trademarks under application*

As of the Latest Practicable Date, we have also applied for the registration of a number of trademarks, details of which are as follows:

<u>Trademark</u>	<u>Place of Registration</u>	<u>Class</u>	<u>Application Number</u>	<u>Application Date</u>
		(Note 2)		
中升.....	PRC	1	7404375	18 May 2009
中升.....	PRC	2	7404395	18 May 2009
中升.....	PRC	3	7404413	18 May 2009
中升.....	PRC	4	7404434	18 May 2009
中升.....	PRC	5	7404461	18 May 2009
中升.....	PRC	6	7404638	18 May 2009
中升.....	PRC	7	7407016	19 May 2009
中升.....	PRC	8	7407042	19 May 2009
中升.....	PRC	9	7407060	19 May 2009
中升.....	PRC	10	7407079	19 May 2009
中升.....	PRC	11	7407195	19 May 2009
中升.....	PRC	12	6520484	21 January 2008
中升.....	PRC	13	7407217	19 May 2009
中升.....	PRC	14	7407230	19 May 2009
中升.....	PRC	15	7407249	19 May 2009
中升.....	PRC	16	6520476	21 January 2008
中升.....	PRC	17	7407275	19 May 2009
中升.....	PRC	18	7407293	19 May 2009
中升.....	PRC	20	6520474	21 January 2008
中升.....	PRC	20	7410281	20 May 2008
中升.....	PRC	21	7410327	20 May 2009
中升.....	PRC	22	7410359	20 May 2009
中升.....	PRC	23	7410385	20 May 2009
中升.....	PRC	24	7410404	20 May 2009
中升.....	PRC	25	7411125	20 May 2009
中升.....	PRC	26	7411134	20 May 2009
中升.....	PRC	27	6520472	21 January 2008

<u>Trademark</u>	<u>Place of Registration</u>	<u>Class</u> <i>(Note 2)</i>	<u>Application Number</u>	<u>Application Date</u>
中升.....	PRC	28	7411146	20 May 2009
中升.....	PRC	29	7411156	20 May 2009
中升.....	PRC	30	7411161	20 May 2009
中升.....	PRC	31	7414028	21 May 2009
中升.....	PRC	32	7414031	21 May 2009
中升.....	PRC	33	7414033	21 May 2009
中升.....	PRC	34	7414035	21 May 2009
中升.....	PRC	35	6520470	21 January 2008
中升.....	PRC	36	6520463	21 January 2008
中升.....	PRC	37	6520461	21 January 2008
中升.....	PRC	38	7414039	21 May 2009
中升.....	PRC	39	6520453	21 January 2008
中升.....	PRC	40	6520451	21 January 2008
中升.....	PRC	41	6520449	21 January 2008
中升.....	PRC	42	6520447	21 January 2008
中升.....	PRC	43	6520812	21 January 2008
中升.....	PRC	44	6520810	21 January 2008
中升.....	PRC	45	6520808	21 January 2008
 .....	PRC	1	7414076	21 May 2009
 .....	PRC	2	7414086	21 May 2009
 .....	PRC	3	7414093	21 May 2009
 .....	PRC	4	7414098	21 May 2009
 .....	PRC	5	7414104	21 May 2009
 .....	PRC	6	7417001	22 May 2009
 .....	PRC	7	7417048	22 May 2009
 .....	PRC	9	7417419	22 May 2009

<u>Trademark</u>	<u>Place of Registration</u>	<u>Class</u> <i>(Note 2)</i>	<u>Application Number</u>	<u>Application Date</u>
	PRC	10	7417453	22 May 2009
	PRC	11	7417483	22 May 2009
	PRC	12	6520483	21 January 2008
	PRC	13	7417495	22 May 2009
	PRC	14	7417514	22 May 2009
	PRC	15	7417525	22 May 2009
	PRC	16	6520475	21 January 2008
	PRC	17	7417612	22 May 2009
	PRC	18	7417668	22 May 2009
	PRC	20	6520473	21 January 2008
	PRC	20	7421426	25 May 2009
	PRC	21	7421476	25 May 2009
	PRC	22	7421509	25 May 2009
	PRC	23	7421572	25 May 2009
	PRC	24	7421877	25 May 2009
	PRC	25	7421901	25 May 2009
	PRC	26	7421930	25 May 2009
	PRC	27	6520471	21 January 2008
	PRC	28	7421949	25 May 2009
	PRC	30	7421960	25 May 2009
	PRC	31	7421979	25 May 2009
	PRC	32	7425530	26 May 2009

<u>Trademark</u>	<u>Place of Registration</u>	<u>Class</u> <i>(Note 2)</i>	<u>Application Number</u>	<u>Application Date</u>
	PRC	33	7425542	26 May 2009
	PRC	34	7425548	26 May 2009
	PRC	36	6520462	21 January 2008
	PRC	37	6520460	21 January 2008
	PRC	38	7425556	26 May 2009
	PRC	39	6520452	21 January 2008
	PRC	40	6520450	21 January 2008
	PRC	41	6520448	21 January 2008
	PRC	42	6520813	21 January 2008
	PRC	43	6520811	21 January 2008
	PRC	44	6520809	21 January 2008
	PRC	45	6520807	21 January 2008
<b>中升奥通</b>	PRC	12	6520480	21 January 2008
<b>中升奥通</b>	PRC	35	6520467	21 January 2008
<b>中升奥通</b>	PRC	37	6520457	21 January 2008
<b>中升搏通</b>	PRC	12	6520482	21 January 2008
<b>中升搏通</b>	PRC	35	6520469	21 January 2008
<b>中升搏通</b>	PRC	37	6520459	21 January 2008
<b>中升东本</b>	PRC	12	6520481	21 January 2008
<b>中升东本</b>	PRC	35	6520468	21 January 2008
<b>中升东本</b>	PRC	37	6520458	21 January 2008
<b>中升广丰</b>	PRC	12	6520478	21 January 2008
<b>中升广丰</b>	PRC	35	6520465	21 January 2008
<b>中升广丰</b>	PRC	37	6520455	21 January 2008
<b>中升汇迪</b>	PRC	12	6520479	21 January 2008



<u>Trademark</u>	<u>Place of Registration</u>	<u>Class</u>	<u>Application Number</u>	<u>Application Date</u>
		(Note 2)		
中升汇迪 . . . . .	PRC	35	6520466	21 January 2008
中升汇迪 . . . . .	PRC	37	6520456	21 January 2008
中升迎宾 . . . . .	PRC	12	6520477	21 January 2008
中升迎宾 . . . . .	PRC	35	6520464	21 January 2008
中升迎宾 . . . . .	PRC	37	6520454	21 January 2008

*Note 2:* Class 1 relates to concrete binders; cement waterproofing chemicals except paints; masonry damp-proofing chemicals except paints; flammable chemicals (engine fuel chemical additives); engine fuel chemical additives; vehicle fuel chemical additives; petrol purifying additives; brake fluids; tyre binders.

Class 2 relates to colorants; vehicle underseal; white wash; white (colorants or paints); lacquers; aluminium paints; silver paints, fireproof paints; undercoating for vehicle chassis; distempers.

Class 3 relates to shampoos; soaps; face wash; washing powder; car and bicycle polishing wax; cosmetics; toothpastes; detergents; windscreen washing liquids.

Class 4 relates to preservation oils for masonry; preservation oils for silica; engine oils; petrol; diesel; vehicle fuel; non-chemical additives for vehicle fuel; anti-slip plasters for wheels; paraffin; gear lubricants.

Class 5 relates to air fresheners; depuratives; non-personal deodorants; bleaching powders; veterinary medicines; pesticides; disinfected tissues; mothproofing agent; healthcare bags; medical pillows.

Class 6 relates to metal staircases; swimming pools (metal structure); metal building structures; metal buildings; metal boarding stairs for vehicles; metal reinforcements for concrete; metal floor tiles; metal pillars for buildings; metal roof flashings; metal doors.

Class 7 relates to car engine pistons; car engine flywheels; rendering machines; car engine mufflers; rim machines; bicycle dynamos; car engine cooling radiators; car engine igniting coils; excavators; car engine pistons.

Class 8 relates to shaving razors; curling tongs; cuticle nippers; pedicure sets; tattoo devices; dishware; electric or non-electric depilation devices; electric manicure tools; eyelash curlers; hand-operated hair curlers.

Class 9 relates to computers; recorded computer programmes (programmes); computer keyboards; computer peripheral devices; optical discs; automatic indicators of low tyre pressure for vehicles; vehicle speed checking apparatus; voltage regulators for vehicles; accumulators for vehicles.

Class 10 relates to medical apparatus and instruments; dental apparatus; feeding bottles for babies; feeding bottles; artificial limbs; orthopaedic shoes; crutches; orthopaedic shoe soles; abdominal belts; abdominal corsets.

Class 11 relates to lights; vehicle lights; car lights; anti-dazzle devices for vehicles (lamp-fittings); vehicle headlights; turning signal lights for vehicles; hot air ovens; lighting appliances for vehicles; light shade for vehicles.

Class 12 relates to vehicle; apparatus for locomotion by hand, air or water.

Class 13 relates to skyrockets; signal rockets; pyrotechnic products; firecrackers; petards; fireworks; atomizer for personal care.

Class 14 relates to agates; amulets (jewellery); silver accessories; bracelets (jewellery); ornaments (jewellery); gems (jewellery); emeralds; watches.

Class 15 relates to accordions; pianos; electronic instruments; electronic organs; percussion instruments; zither; pipe organs.

Class 16 relates to paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.

Class 17 relates to synthetic rubber; latex (rubber); fluid rubber; soft tube for vehicle heaters; connecting soft tubes for vehicle radiators; rubber material for recapping tyres; rubber coats for machine parts; insulating materials; insulated dopes; waterproof packaging materials.

Class 18 relates to cattle leather; unprocessed or semi-processed leather; school bags; satchels; umbrella ribs; wallets; travelling bags (trunks); leather mats; furs; fur-skins.

Class 20 relates to furniture, mirrors, picture frames; goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics.

Class 21 relates to household or kitchen containers; tableware (excluding knives, forks and spoons); porcelain decorations; combs; cosmetic utensils; heat insulated food containers; thermos flasks; crystals (glassware); powdered glass for decoration; toughened glass; household aquarium.

Class 22 relates to vehicle covers (non-fitted); hammocks; tents; towing ropes; car towing ropes; net strings; plastic ropes; plastic fibres for textile; glass fibres for textiles; packing bands.

Class 23 relates to threads; cotton threads and yarns; spun cotton; wool threads; artificial wool; nylon threads; spun wool; spun threads and yarns; linen threads and yarns.

Class 24 relates to upholstery fabrics; cotton fabrics; towel quilts; bath towels; pillow cloth; bed covers; quilts; bed sheets; blankets; oil cloth.

Class 25 relates to working suit; garments; leatherwear; child wear; swimming wear; costumes; shoes (footwear); slippers; hats (headwear); socks.

Class 26 relates to hair bands; laces; hair clips; non-electric hair curlers (not hand-operated); shoe buckles (fasteners); garment buttons; artificial hair; belt buckles; string-knitted craftworks; hair colouring caps.

Class 27 relates to carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).

Class 28 relates to game consoles; kites; electric playing vehicles; electricity chair; swivel chair; windmill; rocking boats; carousels; proportioned model cars; toy cars.

Class 29 relates to pork products; sausages; caviar; dried fish; fruit pulp; peanut butter; soup; frozen fruit; egg; soy milk.

Class 30 relates to tea, tea beverages; ice tea; sugar; candy; honey; dried bread; biscuit; egg cake; glutinous rice balls.

Class 31 relates to oat; sesame; beans (unprocessed); nuts (fruits); fresh fruits; fresh edible fungus; lemons; oranges; unprocessed cereal seeds; seaweeds consumed by humans or animals.

Class 32 relates to beer; non-alcoholic fruit juice; mineral water; fruit tea (non-alcoholic); peanut milk (non-alcoholic); fruit drink(non-alcoholic); coke; mung bean beverage; soy milk beverage; beverage ingredients.

Class 33 relates to fruit wines (alcoholic); spirits; aperitif; hydromel; wine; alcohol (drinks); rice wines; seasoning wines; alcoholic drinks (excluding beer); sake.

Class 34 relates to tobacco; tobacco shreds; cigarettes; tobacco pipes; cigarette filters; ashtrays; matches; cigarette lighters; firestones; cigarette cases.

Class 35 relates to advertising; business management; business administration; office functions.

Class 36 relates to insurance; financial and monetary affairs, and real estate affairs.

Class 37 relates to building construction; repair; installation services.

Class 38 relates to message sending; telecommunications; telephone communications; optic fibre network communications; telecommunication connections to global computer network; teleconferencing services; database access services; voice mail services.

Class 39 relates to transportation; packaging and storage of goods; travel arrangement.

Class 40 relates to treatment of materials.

Class 41 relates to education; providing of training; entertainment; sporting and cultural activities.

Class 42 relates to scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software.

Class 43 relates to services for providing food and drink; temporary accommodation.

Class 44 relates to medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services.

Class 45 relates to legal services; security services for the protection of property and individuals; personal and social services rendered by other to meet the needs of individuals.

### Domain Names

As at the Latest Practicable Date, our Company had registered the following domain name:

<u>Domain name</u>	<u>Place of Registration</u>	<u>Registered Owner</u>	<u>Registration Date</u>	<u>Expiry Date</u>
www.zs-group.com.cn . . . .	PRC	Zhongsheng Dalian	17 April 2006	17 April 2016

## DISCLOSURE OF INTERESTS

**Interests and short positions of our Directors in the share capital of our Company and its associated corporations immediately before and following the Global Offering**

As at the Latest Practicable Date, the interests and short positions of our Directors and our chief executive in the equity or debt securities of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and to the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules (“**Model Code**”), to be notified to our Company and the Hong Kong Stock Exchange immediately following the Global Offering will be as follows:

Name of Director/ Chief Executive	Nature of interest	Relevant company (including associated corporations)	Number and class of Shares immediately prior to the Global Offering	Number and class of Shares immediately after the Global Offering	Approximate percentage of interest in our Company immediately after the Global Offering (taking into account the partial exercise of General Atlantics Anti-Dilution Right and assuming no exercise of the Over-allotment Option and based on the lower end of the estimated Offer Price range)	Approximate percentage of interest in our Company immediately after the Global Offering (taking into account the partial exercise of General Atlantics Anti-Dilution Right and assuming no exercise of the Over-allotment Option and based on the higher end of the estimated Offer Price range)
					(%)	(%)
HUANG Yi <sup>(1)</sup>	Deemed interest, interest of controlled company	Our Company	1,325,993,876(L)	1,325,993,876 (L)	71.04%	71.25%
LI Guoqiang <sup>(2)</sup>	Deemed interest, interest of controlled company	Our Company	1,325,993,876(L)	1,325,993,876 (L)	71.04%	71.25%

*Notes:*

- (1) Mr. Huang’s interest in the Shares is held through his wholly-owned investment company, Light Yield. Light Yield owns a 62.3% equity interest in Blue Natural. Accordingly, Mr. Huang is deemed to be interested in the entire interest in our Company held by Blue Natural.
- (2) Mr. Li’s interest in the Shares is held through his wholly-owned investment company, Vest Sun. Vest Sun owns a 37.7% equity interest in Blue Natural. Accordingly, Mr. Li is deemed to be interested in the entire interest in our Company held by Blue Natural.

## SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, as at the Latest Practicable Date, the persons who were directly interested in 10% or more of the issued and outstanding share capital of our subsidiaries then in issue carrying rights to vote in all circumstances at general meetings of each relevant subsidiary, were as follows:

<u>Member of Our Group</u>	<u>Total registered capital</u>	<u>Person with 10% or more interest (other than us)</u>	<u>Percentage of the substantial shareholder's interest</u>
Chengdu Zhongdao Cheng Toyota Automobile Sales & Services Co., Ltd. (成都中道成豐田汽車銷售服務有限公司)	RMB10,000,000	Tu Bin (塗彬)	10%
Chengdu Zhongsheng Toyota Automobile Sales & Services Co., Ltd. (成都中升豐田汽車銷售服務有限公司)	RMB10,000,000	Tu Bin (塗彬)	20%
Yuxi Zhongsheng Dongfeng Honda Automobile Sales & Services Co., Ltd. (玉溪中升東本汽車銷售服務有限公司)	RMB10,000,000	He Mingzhong (何明忠)	30%
Nanjing Zhongsheng Toyota Automobile Services Co., Ltd. (南京中升豐田汽車服務有限公司)	HK\$13,860,000	Jiangsu Kenry Automobile Trading Co., Ltd. (江蘇肯瑞汽車貿易有限公司)	40%
Shenzhen Zhongsheng Toyota Automobile Services Co., Ltd. (深圳中升豐田汽車服務有限公司)	US\$2,250,000	Shenzhen Chengfengda Industry Development Co., Ltd. (深圳誠峰達實業發展有限公司)	25%
Shenzhen Zhongsheng Toyota Automobile Services Co., Ltd. (深圳中升豐田汽車服務有限公司)	US\$2,250,000	Zhang Honglei (張鴻雷)	15%

**FURTHER INFORMATION ABOUT OUR DIRECTORS, MANAGEMENT, STAFF AND EXPERTS****Service Contracts of our Directors**

None of our Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by our Group within one year without the payment of compensation save statutory compensation).

**Directors' remuneration**

The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses which were paid to our Directors for the years ended 31 December 2006, 2007 and 2008, and the nine months ended 30 September 2009, were approximately RMB1.7 million, RMB1.7 million, RMB4.6 million and RMB3.7 million, respectively.

Under the arrangements in force as at the Latest Practicable Date, the estimated aggregate amount of remuneration payable to, and benefits in kind receivable by, our Directors in respect of the financial year ended 31 December 2009, is estimated to be approximately RMB5.4 million in aggregate.

**Fees or commissions received**

Save as disclosed in this prospectus, none of the Directors nor any of the persons whose names are listed in the paragraph entitled "Consents" in this Appendix had received any commissions, discounts, agency fees, brokerages, or other special terms in connection with the issue or sale of any capital of our Company or any of our subsidiaries within the two years preceding the date of the prospectus.

**DISCLAIMERS**

Save as disclosed in this prospectus:

- (a) none of our Directors or chief executive of our Company has any interest or short position in the Shares, underlying shares and debentures of our Company, or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code, to be notified to our Company and the Hong Kong Stock Exchange, in each case once our Shares are listed;
- (b) none of our Directors nor any of the parties listed in the paragraph entitled "Consents" in this Appendix is interested in our promotion, or in any assets which have, within the two years immediately preceding the issue of this prospectus, been acquired or disposed or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group;

- (c) none of our Directors nor any of the parties listed in the paragraph entitled “Consents” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is unusual in its nature or conditions or significant in relation to the business of our Group;
- (d) save for the Underwriting Agreements, none of the parties listed in the paragraph entitled “Consents” in this Appendix is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries, or has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities;
- (e) within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special item has been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;
- (f) within the two years immediately preceding the date of this prospectus, no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscriptions or agreeing to procure subscriptions of any shares in our Company; and
- (g) so far as is known to our Directors, none of our Directors or Shareholders who are interested in 5% or more of our issued share capital or their associates has any interest in either our five largest suppliers or five largest customers.

## SHARE OPTION SCHEME

The following is a summary of the principal terms of our Share Option Scheme, conditionally adopted by a resolution of our Shareholders passed on 9 February 2010 and a resolution of our Board on 9 February 2010. The terms of our Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

### 1. Purpose of our Share Option Scheme

The purpose of our Share Option Scheme is to recognize and acknowledge the contributions made by our employees, to attract skilled and experienced personnel, to incentivise them to remain with our Company and to give effect to our Company’s customer-focused corporate culture, and to motivate them to strive for the future development and expansion of our Company and its subsidiaries, by providing them with the opportunity to acquire equity interests in our Company.

### 2. Participants of our Share Option Scheme and the basis of determining the eligibility of the participants

Our Board may from time to time grant options to any individual who is an employee of our Group (including executive Directors) or any entity in which our Company holds any equity interest (“**Invested Entity**”) and such other persons who has or will contribute to our Company as approved by our Board from time to time (“**Participants**”) on the basis of their contribution to the development and growth of our Group.

### 3. Status of our Share Option Scheme

#### (a) *Conditions of our Share Option Scheme*

Our Share Option Scheme shall take effect subject to: (i) the commencement of dealings in our Shares on the Hong Kong Stock Exchange; (ii) the passing of the necessary resolutions to adopt our Share Option Scheme by our Shareholders; (iii) the obligations of the underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms thereof or otherwise; and (iv) the Listing Committee approving the listing of and permission to deal in any Shares to be allotted and issued pursuant to the exercise of options under our Share Option Scheme (“**Conditions**”).

#### (b) *Life of our Share Option Scheme*

Our Share Option Scheme shall be valid and effective for 10 years from the date on which the last of the Conditions is fulfilled (“**Scheme Period**”), after which time no further option will be granted but the provisions of our Share Option Scheme shall remain in full force and effect in all other respects. The total number of Shares that may be allotted and issued upon the exercise of all options to be granted under our Share Option Scheme initially must not in aggregate exceed the number of shares in issue (without taking into account shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option) as at the Listing Date.

### 4. Grant of options

#### (a) *Making of an offer*

An offer of the grant of an option shall be made to a Participant by letter (“**Offer Letter**”) in such form as our Board may from time to time determine, requiring the Participant to undertake to hold the option on the terms on which it is to be granted (which may include a minimum period for which the option must be held before it can be exercised and a performance target that must be reached before the option can be exercised in whole or in part) and to be bound by the provisions of our Share Option Scheme (including any operational rules made under our Share Option Scheme). The offer shall remain open for acceptance for such time to be determined by our Board provided that no such offer shall be open for acceptance after the expiry of the Scheme Period or after the termination of our Share Option Scheme.

#### (b) *Acceptance of an offer*

An option shall be deemed to have been granted to (subject to certain restrictions in our Share Option Scheme), and accepted by, the Participant (“**Grantee**”) and to have taken effect after we receive the Offer Letter signed by the Grantee together with a remittance in favour of our Company of HK\$0.0001 or the equivalent amount in any currency by way of consideration for the grant of the option on or before the last day for acceptance as defined by our Board. The remittance is not in any circumstances refundable. Once accepted, the option is granted as from the date on which it was offered to the relevant Grantee.



(c) *Restrictions on time of grant*

No grant of options shall be made after a price-sensitive event in relation to the securities of our Company has occurred or a price-sensitive matter in relation to the securities of our Company has been the subject of a decision, until the price-sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no option shall be granted during the period of one month immediately preceding the earlier of:

- (1) the date of our Board meeting as shall have been notified to the Hong Kong Stock Exchange for the approval of our Company's results for any year, half-year or quarterly or any other interim period (whether or not required under the Listing Rules); and
- (2) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules or quarterly or other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement. The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

(d) *Grant to connected persons*

Any grant of options to a connected person must be approved by all our independent non-executive Directors (excluding any independent non-executive Director who is a proposed Grantee of the options).

(e) *Grant to substantial shareholders and independent non-executive Directors*

Without prejudice to paragraph 4(d) above, any grant of options to a substantial shareholder or an independent non-executive Director of our Company or any of their respective associates must be approved by our Shareholders in general meeting if our Shares issued and to be issued and to be issued upon exercise of all options already granted and proposed to be granted to him (whether exercised, cancelled or outstanding) in the 12-month period up to and including the proposed date of such grant:

- (i) would represent in aggregate more than 0.1% of our Shares then in issue; and
- (ii) would have an aggregate value, based on the closing price of our Shares at the date of each grant, in excess of HK\$5 million (or such other amount as shall be permissible under the Listing Rules from time to time).

(f) *Proceedings in general meeting to approve the grant of option*

At the general meeting to approve the proposed grant of options under paragraph (e), all connected persons of our Company must abstain from voting unless intending to vote against the proposed grant. At such general meeting, the vote to approve the grant of such options must be taken on a poll in accordance with the relevant provisions of the Listing Rules.

## 5. Subscription price

The price per Share at which a Grantee may subscribe for Shares upon exercise of an option (“**Subscription Price**”) shall, subject to any adjustment pursuant to paragraph 7 below, be a price determined by our Board in its sole and absolute discretion but in any event shall be at least the highest of:

- (i) the closing price of our Shares as stated in the Hong Kong Stock Exchange’s daily quotations sheets on the date on which the option is offered (“**Offer Date**”);
- (ii) the average of the closing prices of our Shares as stated in the Hong Kong Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Offer Date; and
- (iii) the par value of our Shares,

except that for the purposes of calculating the Subscription Price under paragraph 5(ii) above for an option offered within five business days of the Listing Date, the price at which our Shares are to be offered for subscription pursuant to the Global Offering shall be used as the closing price for any business day falling within the period before the Listing Date.

## 6. Maximum number of Shares available for subscription

### (a) *Scheme Mandate*

Subject to sub-paragraphs 6(b) and 6(c) below, the maximum number of Shares in respect of which options may be granted under our Share Option Scheme and any other Share Option Schemes of our Company shall not in aggregate exceed the number of shares that shall represent 10% of the total number of Shares in issue (without taking into account shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option) as of the Listing Date (“**Scheme Mandate**”), being 186,649,279 Shares and 186,127,729 Shares, respectively (taking into account the partial exercise of General Atlantic’s Anti-Dilution Right by investing US\$25 million to subscribe for the new Shares in our Company and assuming final Offer Price of HK\$9.54 and HK\$12.83, being the lower and higher end of the estimated Offer Price range, respectively). For the purpose of calculating the Scheme Mandate, options which have lapsed in accordance with the terms of the relevant scheme shall not be counted in calculating the 10% limit.

### (b) *Renewal of Scheme Mandate*

Our Company may seek approval by our Shareholders in general meeting for renewing or increasing the Scheme Mandate provided that the total number of Shares in respect of which options may be granted under our Share Option Scheme and any other schemes of our Company under the Scheme Mandate as renewed must not exceed 10% of the total number of Shares in issue as at the date of our Shareholders’ approval. Options previously granted under our Share Option Scheme and any other Share Option Schemes of our Company, whether outstanding, cancelled, lapsed in accordance with its applicable rules or already exercised, will not be counted for the purpose of calculating the limit as renewed.

For the purpose of seeking the approval of our Shareholders under this sub-paragraph 6(b), a circular containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules must be sent to our Shareholders.

(c) *Grant of Options beyond Scheme Mandate*

Our Company may seek separate approval by our Shareholders in general meeting for granting options beyond the Scheme Mandate provided that the options in excess of the Scheme Mandate are granted only to Participants who are specifically identified before such approval in sought.

For the purpose of seeking the approval of our Shareholders under this sub-paragraph (6)(c), our Company must send a circular to our Shareholders containing a generic description of the specified Grantees who may be granted such options, the number and terms of the options to be granted, the purpose of granting such options to the Grantees with an explanation as to how the terms of options serve such purpose and the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer as required under Rule 17.02(4) of the Listing Rules.

(d) *Maximum number of Shares issued pursuant to Options*

Notwithstanding anything to the contrary in our Share Option Scheme, the maximum limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under our Share Option Scheme and any other schemes of our Company must not exceed such number of Shares as shall represent 30% of our Shares in issue from time to time. No options may be granted if such grant will result in this 30% limit being exceeded.

(e) *Grantee's maximum holding*

Unless approved by our Shareholders in general meeting in the manner prescribed in the Listing Rules, our Board shall not grant options to any Grantee if the acceptance of those options would result in the total number of shares issued and to be issued to that Grantee on exercise of his options during any 12-month period exceeding 1% of the total Shares then in issue.

Where any further grant of options to a Grantee, if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all options granted and to be granted to such Grantee (including exercised, cancelled and outstanding options) in any 12-month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue, such further grant must be separately approved by our Shareholders in general meeting with such Grantee and his associates abstaining from voting. Our Company must send a circular to our Shareholders and the circular must disclose the identity of the Grantee, the number and terms of the options to be granted and options previously granted to such Grantee and the information required under the Listing Rules. The number and terms (including the Subscription Price) of the options to be granted to such Participant must be fixed before our Shareholders' approval. The date of the Board meeting for proposing such further grant of option should be taken as the date of grant for the purpose of calculating the Subscription Price.

(f) *Adjustment*

The number of Shares subject to the options issued pursuant to our Share Option Scheme may be adjusted in such manner as our Company's independent financial adviser or auditor (acting as expert and not as arbitrator) shall certify in writing to our Board to be in its opinion fair and reasonable in accordance with sub-paragraph 7(b) below.

**7. Reorganization of capital structure**

(a) *Adjustment of options*

In the event of any alteration in the capital structure of our Company whilst any option becomes or remains exercisable, whether by way of capitalization of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of our Company (other than an issue of Shares as consideration in respect of a transaction to which our Company is a party), our Board shall make (and shall notify to the Grantee) such corresponding alterations (if any) to:

- (i) the number of Shares subject to the option so far as unexercised;
- (ii) the Subscription Price; or
- (iii) the number of Shares subject to our Share Option Scheme;

that are required to give each Grantee the same proportion of share capital as that to which the Grantee was previously entitled (as interpreted in accordance with the Supplementary Guidance attached to the letter from the Hong Kong Stock Exchange dated 5 September 2005 to all issuers relating to Share Option Schemes), but not so that the effect would be to enable any Share to be issued to a Grantee at less than its nominal value, provided that no adjustments to the Subscription Price and number of Shares should be made to the advantage of the Participants without specific prior approval of our Shareholders.

(b) *Auditors/independent financial adviser confirmation*

On any capital reorganization other than a capitalization issue, the auditors or an independent financial adviser shall certify in writing to our Board that the adjustments made by our Board pursuant to sub-paragraph 7(a) above are in their opinion fair and reasonable.

**8. Cancellation of options**

Subject to the consent from the relevant Grantee, our Board may at its discretion cancel options previously granted to and yet to be exercised by a Grantee for the purpose of re-issuing new options to that Grantee provided that there are sufficient available unissued options under the Scheme Mandate as renewed from time to time (excluding such cancelled options) in accordance with the terms of our Share Option Scheme.

**9. Assignment of options**

An option is personal to the Grantee and shall not be transferable or assignable.

## 10. Options attached to our Shares

Our Shares to be allotted upon exercise of an option will be subject to all the provisions of our Articles of Association and will rank pari passu with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of our Company (“**Registration Date**”). Accordingly our Shares will entitle the holders to participate in all dividends or other distributions paid or made on or after the Registration Date other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which is before the Registration Date.

A Share issued upon the exercise of an option shall not carry any voting rights until the registration of the Grantee or his nominee as the holder of the Share on the register of members of our Company.

Unless otherwise regulated by applicable law, a Grantee shall have no rights as Shareholder with respect to any Shares covered by an option before such Grantee exercises the option.

## 11. Exercise of options

### (a) *General*

The period during which an option may be exercised in accordance with the terms of our Share Option Scheme (“**Option Period**”) shall be the period of time to be notified by our Board to each Grantee, which our Board may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the Offer Date.

### (b) *Rights of Grantee upon his retirement or death*

If the Grantee ceases to be a Participant by reason of retirement, death or disability, the option shall vest immediately at the date of cessation and the Grantee or his legal personal representative shall be entitled within a period of 12 months from the date of retirement or death (or within such longer period as our Board may determine) to exercise the option (to the extent not already exercised).

### (c) *Rights of Grantee upon his cessation of employment under certain circumstances*

If the Grantee ceases to be a Participant for any reason other than his retirement or death or disability or termination of his employment on one or more of the grounds specified in subparagraph 12(iv) below or the termination of his business relation with the relevant member of our Group, the Grantee may exercise the option up to his or her entitlement at the date of cessation.

### (d) *Rights on a takeover*

In the event a general or partial offer, whether by way of take-over offer, or a take-over by way of a scheme of arrangement or otherwise in like manner, is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any

person acting in concert with the offeror and the take-over offer becomes or is declared unconditional, the Grantee shall be entitled to exercise the option (to the extent not already exercised), within one month from the date the take-over offer is declared unconditional.

(e) *Rights on a voluntary winding up*

In the event of a notice is given by our Company to our Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it dispatches such notice to each of our Shareholders give notice to all Grantees (together with a notice of the existence of the provisions of this sub-paragraph 11(e)). Upon receipt of such notice, each Grantee (or where permitted under sub-paragraph 11(b) his legal personal representative(s)) shall be entitled to exercise all or any of the option (to the extent which has become exercisable and not already exercised) at any time not later than two (2) business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for our Shares in respect of which the notice is given. Upon receipt of such notice together with the remittance by our Company, our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. The allotted Shares shall rank pari passu with all other Shares in issue on the date prior to the passing of the resolution to wind-up our Company to participate in the distribution of assets of our Company available in liquidation.

(f) *Rights on a compromise or arrangement*

If a compromise or arrangement between our Company and our Shareholders or creditors is proposed in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies, our Company shall give notice to the Grantee on the same day as it gives notice of the meeting to our Shareholders or creditors to consider the compromise or arrangement. Upon receipt of the notice, the Grantee may, during the period commencing on the date of the notice and ending on the earlier of:

- (i) the date two calendar months thereafter; and
- (ii) the date on which such compromise or arrangement is sanctioned by the court;

exercise the option (to the extent not already exercised), conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. With effect from the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. Our Company may require the Grantee to transfer or otherwise deal with our Shares issued as a result of the exercise of options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to the compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of Grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full and shall thereupon become exercisable (but subject to the other terms of this Share Option Scheme) as if such

compromise or arrangement had not been proposed by our Company and no claim shall lie against our Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

## 12. Lapse of options

An option where vested or unvested shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of the periods referred to in sub-paragraphs 11(a) to (f) above;
- (iii) in respect of a Grantee (being a Director or employee of our Group or Invested Entity) who ceases to be engaged by our Group or the Invested Entity by reasons other than termination of employment on grounds under paragraph 12(iv) below, the last date on which such Grantee was at work with our Group or the Invested Entity (whether salary is paid in lieu of notice or not);
- (iv) the date on which the Grantee (being a Director or employee of our Group or Invested Entity) ceases to be a Participant by reason of the termination of his employment on any one or more of the following grounds:
  - (a) that he has been guilty of misconduct; or
  - (b) that he has committed an act of bankruptcy or has become insolvent or has made an arrangement or composition with creditors generally; or
  - (c) that he has been convicted of a criminal offence involving his integrity or honesty; or
  - (d) any misconduct based on the sole and absolute option of our Company; or
  - (e) and a resolution of our Board or our Board of Directors of the relevant subsidiary of our Company to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph 12(iv) shall be conclusive;
- (v) in the event of the Grantee not being a Director or employee of our Group or Invested Entity, the date on which our Board in its sole and absolute discretion resolves that such Grantee ceases to be qualified as a Participant by reason of termination of its business relations with the relevant member of our Group or by reason of its failure to comply with the provisions of the relevant contracts or agreements and/or its breaches of its fiduciary duties under common law or otherwise on other grounds as our Board considers appropriate;
- (vi) the date on which the Grantee commits a breach of paragraph 9 above.
- (vii) if an option is granted subject to certain conditions, restrictions or limitations, the date on which our Board resolves that the Grantee has failed to satisfy or comply with such conditions, restrictions or limitations; and

(viii) the occurrence of such event or expiry of such period as may have been specifically provided for in the Offer Letter, if any.

### 13. Amendment of our Share Option Scheme

The specific provisions of our Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and changes to the authority of our Board in relation to any alteration of the terms of our Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of our Share Option Scheme which are of material nature, or any change to the terms of options granted, must also, to be effective, be approved by our Shareholders in general meeting, except where alterations take effect automatically under the existing terms of our Share Option Scheme. Our Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

### 14. Termination

Our Company may at any time terminate the operation of our Share Option Scheme by resolution of our Board or resolution of our Shareholders in general meeting and in such event no further options will be offered but the provisions of our Share Option Scheme shall remain in force in all other respects to the extent necessary to give effect to the exercise of the options (to the extent not already exercised) granted prior to the termination or otherwise or may be required in accordance with the provisions of our Share Option Scheme. All options granted prior to the termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of our Share Option Scheme.

As of the Latest Practicable Date, no option has been granted by our Company under our Share Option Scheme.

## OTHER INFORMATION

### Tax and Other Indemnities

Our Controlling Shareholders (together, the “**Indemnifiers**”) have entered into a deed of indemnity in favour of our Group to provide the following indemnities in favour of our Group.

Under the deed of indemnity, amongst others, the Indemnifiers will jointly and severally indemnify each of the members of our Group against (a) (i) any loss or liability or diminution in value of assets suffered by any member of our Group as a result of or in connection with any taxation liability in any jurisdiction arising from any income, profits or gain earned, accrued or received or deemed to have been earned, accrued or received on or before the date on which the Global Offering becomes unconditional; or as a consequence of any event, activity or omission which occurred or is deemed to occur on or before the date on which the Global Offering becomes unconditional, whether alone or in conjunction with other circumstances and whether or not such taxation is chargeable against or attributable to any other person; (ii) any duty by virtue of the provisions of section 35 and/or section 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or any legislation, law or regulation in relation to estate duty, death duty, inheritance tax, succession duty or another similar duty or taxation in the PRC, Cayman Islands, British Virgin Islands or any other jurisdictions in the world where any member of our Group is sought to be made liable to such tax or duty (“**Estate Duty Provision**”) by reason of the death of any person and by reason of the assets of any member of our Group being deemed for the purpose of



such duty to be included in the property passing on his or her death by reason of that person making or having made a relevant transfer to any member of our Group on or before the date on which the Global Offering becomes unconditional; (iii) any amount recovered against any member of our Group under an Estate Duty Provision in respect of any duty payable under an Estate Duty Provision by reason of the death of any person and by reason of the assets of any member of our Group being deemed for the purpose of such duty to be included in the property passing on his or her death by reason of that person making or having made a relevant transfer to any member of our Group on or before the date on which the Global Offering becomes unconditional; and (iv) any amount of duty which any member of our Group is obliged to pay by virtue of an Estate Duty Provision in respect of the death of any person in any case where the assets of another company are deemed for the purpose of such duty to be included in the property passing on that person's death by reason of that person making or having made a relevant transfer to that other company and by reason of any member of our Group having received assets of that other company on their distribution on or before the date on which the Global Offering becomes unconditional, but only to the extent to which such member of our Group is unable to recover an amount or amounts in respect of that duty from any other person under an Estate Duty Provision; (b) any actions, claims, costs, penalties, fines, damages, losses, expenses and liabilities (including without limitation relocation costs and expenses, operating and business losses arising from business interruptions and/or increased lease payments, and penalties and fines imposed by any statutory or governmental authority whatsoever in the PRC or any other part of the world) arising from, or in connection with (i) the properties owned and/or occupied by any member of our Group for which the relevant Title Certificates have not been obtained as at the Latest Practicable Date; (ii) the properties leased by any member of our Group from lessors who, as at the Latest Practicable Date, are not able to produce evidence of valid and enforceable Title Certificates or the approvals from land authorities to lease such properties; and (iii) the leased properties of an any member of our Group whose lessors, as at the Latest Practicable Date, have not registered the leases with the relevant PRC authorities (“**Affected Properties**”) suffered or incurred by any member of our Group on or before the date on which the Global Offering becomes unconditional; or any assessment, claim, counterclaim, notice, demand or other documents issued or action taken by or on behalf of any statutory or governmental authority whatsoever in the PRC or any other part of the world or by or on behalf of any person having the right to challenge or to cease or suspend the Affected Properties from which it appears that our Group or any member of our Group are liable or are sought to be made liable in respect of the Affected Properties suffered or incurred on or before the date on which the Global Offering becomes unconditional; (c) any actions, claims, costs, penalties, fines, damages, expenses, liabilities, as well as operating and business losses arising from, or in connection with, any business disruption attributable to, or failure to comply with relevant PRC laws and regulations by, any of the member of our Group who failed to complete relevant registration, approval or other requirements regarding, *inter alia*, foreign investment, business, tax, social security contribution and environment protection as disclosed in the Prospectus, suffered or incurred on or before the date on which the Global Offering becomes unconditional by any member of our Group. The Indemnifiers further jointly and severally undertake to indemnify each of the members of our Group on demand against any of the foregoing losses, damages, penalties costs or expenses.

The Indemnifiers will, however, not be liable under the deed of indemnity for taxation where, among others, (a) to the extent that specific provision or reserve has been made for such taxation in our combined financial information included in “Appendix I — Accountants’ Report” to this prospectus, or to the extent that it relates to taxation incurred or accrued after 30 September 2009 that arises in the ordinary course of our business in this prospectus; (b) to the extent such taxation would not have arisen but for an act or omission by us after the date on which the Global Offering becomes unconditional

(other than pursuant to a legally binding commitment created on or before the date on which the Global Offering becomes unconditional); (c) to the extent such taxation or liability arises or is incurred only as a result of a retrospective change in law or regulations, a retrospective increase in tax rates or a retrospective change in administrative interpretation of law or regulations, coming into force after the date on which the Global Offering becomes unconditional; (d) to the extent that any provision or reserve made for any taxation liability in our combined financial information included in Appendix I — Accountants' Report to this prospectus is determined by the auditors for the time being of the relevant member of our Group to contain an over-provision or excessive reserve; (e) to the extent that any such liability is disclosed in this prospectus.

The indemnity provided by the Indemnifiers will be valid as long as our Company remains listed on the Hong Kong Stock Exchange.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries in the Cayman Islands, Hong Kong, or the PRC.

### **Litigation**

As at the Latest Practicable Date, our Group was not aware of, any litigation, arbitration or administrative proceedings of material importance, pending or threatened against us or any of our Directors, that could have a material adverse effect on our Group's financial condition and results of operations, taken as a whole.

### **Preliminary Expenses**

Our preliminary expenses are approximately US\$18,000 and have been paid by our Company.

**Qualifications of Experts**

The qualifications of the experts (as defined under the Listing Rules and the Hong Kong Companies Ordinance) who have given their opinions or advice in this prospectus are as follows:

<u>Name</u>	<u>Qualifications</u>
Morgan Stanley Asia Limited . . . .	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities under the SFO
UBS AG, Hong Kong Branch . . . .	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities under the SFO
Ernst & Young . . . . .	Certified public accountants
Jones Lang LaSalle Sallmanns Limited. . . . .	Member of The Hong Kong Institute of Surveyors and The Royal Institution of Chartered Surveyors
King & Wood. . . . .	PRC legal advisers
Conyers Dill & Pearman. . . . .	Cayman Islands legal advisers

**Consents**

Each of Morgan Stanley Asia Limited, UBS AG, Hong Kong Branch, Ernst & Young, Jones Lang LaSalle Sallmanns Limited, King & Wood, Conyers Dill & Pearman has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or valuation certificates and/or the references to their names included herein in the form and context in which they are respectively included.

None of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

**Waivers from strict compliance with Listing Rules and exemption from compliance with the Companies Ordinance**

*Waiver from strict compliance with Rule 4.04(1) of the Listing Rules and a certificate of exemption in relation to paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance*

Paragraph 27 of Part I of the Third Schedule of the Companies Ordinance prescribes that a statement as to the gross trading income or sales turnover of the company during the three preceding years as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities, be included in the prospectus. Paragraph 31 of Part II of the Third Schedule of the Companies Ordinance further prescribes that a report by the auditors of the company with respect to (i) the profits and losses of the company for each of the three financial years immediately preceding the issue of the prospectus and (ii) the assets and liabilities of the Company at the last date to which the accounts of the company were made up, be included in the prospectus. Meanwhile, Rule 4.04(1) of the Listing Rules states that the accountants' report must include, inter alia, "the results of the issuer or, if the issuer is a holding company, the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the listing document or such shorter period as may be acceptable to the Exchange". Accordingly, in strict compliance with the relevant requirements, the accountants' report included in this prospectus should cover the three financial years ended 31 December 2009.

An application has been made to the Hong Kong Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules on the ground that it would be unduly burdensome for us to do so within a short period of time after 31 December 2009, and such waiver has been granted by the Hong Kong Stock Exchange on the condition that listing of the Shares of our Company on the Hong Kong Stock Exchange will commence on or before 31 March 2010.

An application has also been made to the SFC for a certificate of exemption from strict compliance with paragraphs 27 and 31 of the Third Schedule to the Companies Ordinance in relation to the inclusion of the Accountants' Report for the full year ended 31 December 2009 in this prospectus on the ground that it would be unduly burdensome for us to do so within a short period of time after 31 December 2009 and that the inclusion of the financials for the three financial years ended 31 December 2008 and the nine months ended 30 September 2009 (together with the profit estimate for the remaining period of the year ended 31 December 2009) in this prospectus was sufficient to enable investors to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Company. A certificate of exemption has been granted by the SFC under section 342A of the Companies Ordinance on the condition that (i) particulars of the exemption are set out in this prospectus; and (ii) this prospectus will be issued on or before 16 March 2010.

Please refer to the section entitled "Financial Information — Waiver from Strict Compliance with Rule 4.04(1) of the Listing Rules and Exemption from Compliance with the Companies Ordinance" in this prospectus for more details.

*Waiver from strict compliance with Rule 8.12 of the Listing Rules*

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules subject to the condition that, among other things, we maintain certain arrangements to maintain effective communications between us and the Hong Kong Stock Exchange.

Please refer to the section entitled “Directors, Senior Management and Employees — Management Presence in Hong Kong” in this prospectus for more details.

*Waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules*

We have applied to the Hong Kong Stock Exchange to request the Hong Kong Stock Exchange to exercise, and the Hong Kong Stock Exchange has confirmed that it will exercise its discretion under Rule 8.08(1)(d) of the Listing Rules to accept a lower public float percentage of our Company, which shall be the higher of 15%; or such a percentage of Shares held by the public immediately after completion of the Global Offering, as increased by the Shares to be issued upon exercise of the Over-Allotment Option (which discretion may be exercised in respect of issuers with an expected market capitalization at the time of listing of over HK\$10,000 million) on the basis that the Hong Kong Stock Exchange is satisfied that the number of our Shares concerned and the extent of their distribution will enable the market to operate properly with the lower percentage, and on the conditions that we will make appropriate disclosure of the lower prescribed percentage of public float in this prospectus and confirm sufficiency of public float in our successive annual reports after the Listing and that we and the Joint Sponsors shall be able to demonstrate satisfactory compliance with Rules 8.08(2) and 8.08(3) of the Listing Rules at the time of the Listing.

Please refer to the section entitled “Share Capital — Waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules relating to minimum public float requirements” in this prospectus for more details.

*Waiver from strict compliance with Rule 10.04 and Appendix 6 of the Listing Rules relating to the Anti-Dilution Right of General Atlantic*

Rule 10.04 of the Listing Rules provides that an existing shareholder may only subscribe for or purchase securities if (a) no securities are offered to them on a preferential basis and no preferential treatment is given to them in the allocation of the securities and (b) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved. In addition, paragraph 5(2) of Appendix 6 to the Listing Rules provides, *inter alia*, that no allocations will be permitted to existing shareholders of the Company unless the conditions in Rules 10.03 and 10.04 of the Listing Rules are met and unless prior written consent of the Hong Kong Stock Exchange has been obtained.

General Atlantic is an existing Shareholder of our Group and held 15% shareholding of our Group as at the Latest Practicable Date. Pursuant to the Shareholders Agreement, General Atlantic has the Anti-Dilution Right — to purchase, at their option, at the Offer Price of our Shares, up to the number of Shares of our Company that will enable General Atlantic to maintain, in the aggregate, their percentage ownership interest in our Company immediately prior to the consummation of the Global Offering. The Anti-Dilution Right will terminate on the Listing Date (if not terminated earlier).

An application has been made to the Hong Kong Stock Exchange to grant, and the Hong Kong Stock Exchange has agreed to grant, a waiver from strict compliance with Rule 10.04 of the Listing Rules and paragraph 5(2) of Appendix 6 to the Listing Rules in connection with the exercise by General Atlantic of its Anti-Dilution Right.

General Atlantic has confirmed to our Company that it intends to exercise the Anti-Dilution Right by investing US\$25 million to subscribe for the new Shares of our Company at the final Offer Price. The new Shares to be subscribed by General Atlantic will be subject to a non-disposal undertaking by General Atlantic. For further information, please see the section entitled “Our History And Reorganization — General Atlantic and Terms of Its Investment” in this prospectus.

#### **Agency fees or commissions received**

The Underwriters will receive an underwriting commission as referred to in the paragraph headed “Commissions and Expenses” under the section entitled “Underwriting” in this prospectus.

#### **Joint Sponsors**

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering, the Shares to be issued to General Atlantic in connection with its partial exercise of the Anti-Dilution Right, and any Shares which may be issued pursuant to the exercise of the Over-allotment Option and options under the Share Option Scheme.

All necessary arrangements have been made to enable our Shares to be admitted to the Central Clearing and Settlement System, or CCASS, established and operated by the Hong Kong Securities Clearing Company Limited, or HKSCC.

#### **Miscellaneous**

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
- a. no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
  - b. no share or loan capital of our Company or any of our subsidiaries is under option or has been agreed conditionally or unconditionally to be put under option;
  - c. no founder, management, or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
  - d. no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries;
  - e. our Group has no outstanding convertible debt securities or debentures;

- f. no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares in our Company;
- (b) no member of our Group is presently listed on any stock exchange or traded on any trading system, and no listing or permission to deal is sought or proposed to be sought; and
- (c) there has been no interruption in the business of our Group which had or may have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus.

**No material adverse change**

Our Company confirms that there has been no material adverse change in its financial position since 30 September 2009.

**Binding effect**

This prospectus shall have the effect, if any application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies Ordinance, so far as applicable.

**Bilingual prospectus**

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in Section 4 of the Hong Kong Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).